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100 Park Avenue  
New York NY 10017-5533  
(212) 354-3800

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

**CNAN GROUP S.P.A.,**  
  
**Plaintiff,**  
  
**-against-**  
  
**HASSAN ALI RICE EXPORT CO. d/b/a**  
**IGEN SEA SHIPPING,**  
  
**Defendant.**

**DECLARATION OF**  
  
**ABDUL RAHMAN IN**  
**OPPOSITION TO MOTION TO**  
**VACATE ATTACHMENT**

**Electronically Filed**

**08 CV 1201 (PAC)**

REPUBLIC OF PAKISTAN )

CITY OF KARACHI )

ABDUL RAHMAN, pursuant to the provisions of 28 U.S.C. § 1746, declares and states as follows:

1. I am 65 years old and have worked since 1976 as a chartered accountant in public practice. I have known M/S Abraham & Sarwana, Advocates, a leading law firm in Karachi, Pakistan for over 35 years. The firm engages me to render litigation support service, as and when required by them.

2. As a Chartered Accountant, I am qualified to practice Income tax and Company law in Pakistan and I understand the obligations of an oath. I earned my first degree in commerce from the University of Karachi in Pakistan in 1961 and my professional qualification, from the Institute of Chartered Accountants in England & Wales, London, in 1966. I am a fellow member of that Institute as well as the Institute of Chartered Accountants of Pakistan in Karachi.

### **Visit to Iftikhar Chambers**

3. I submit this Declaration on the instructions and at the request of the firm's clients, CNAN GROUP S.P.A., and their London solicitors, Thomas Cooper.

4. On June 26, 2008, a request was received from the client's London solicitors to clarify certain law points and visit what was stated to be the office of "Igen Sea Shipping" at Ground Floor, Iftikhar Chambers, Hasrat Mohani Road, Karachi, Pakistan.

5. At around 12:50 P.M. on Monday, June 30<sup>th</sup> 2008, I and the firm's Court Clerk, Shahzaman Zamrani, visited Iftikhar Chambers, which is located on the corner of Hasrat Mohani Road and Altaf Hussain Road, off I.I. Chundrigar Road in Karachi. For purposes of establishing the date of our visit, we brought along a copy of the "Business Recorder" newspaper dated June 30<sup>th</sup> 2008. See Exhibit 1.

6. Iftikhar Chambers is a dilapidated, run-down building facing Atlatf Husain Road on the front with Hasrat Mohani Road running along the side. Four shops within Iftikhar Chambers face Atlatf Husain Road and a dimly-lit corridor runs from that street through the building to the car parking lot behind it. The entrance to this corridor is shown in Exhibit 2. This car park is surrounded by an old stone wall which has an opening through which one can enter the car park (and hence the back of the building) from Hasrat Mohani Road. See Exhibit 3. There is one small room (or building) behind the main structure of Iftikhar Chambers, located near the wall opposite the gate which opens into the car park from Hasrat Mohani Road. See #6 in diagram attached as Exhibit 4.

7. The Ground Floor of Iftikhar Chambers facing Altaf Hussain Road has four offices, three of which were open at the time of our visit: i) office of Trade Chronicle; ii) office of a travel agency company by the name of Columbus Travel Services (Pvt) Ltd.; and iii) an eatery named Kerala Muslim Hotel. The fourth office was shuttered and padlocked. The person at the counter in the eatery informed me that the shuttered office belongs to the entity having its offices on 1<sup>st</sup> and 2<sup>nd</sup> floor. The owner, Mr. Haji Tahir Shafiq, uses the ground floor office as an auxiliary storage place. These offices are marked #1, #2, #3 and #4 on Exhibit 4.

8. The office of "Trade Chronicle" is owned by Mr. A.R. Siddiqi, a journalist. The name plate of "Trade Chronicle", Altaf Hussain Road was fixed on the small room referred to at the end of paragraph 6 above.

9. As one enters the premises through the corridor from Altaf Hussain Road, there are two small kiosks in the wall under the staircase. The first kiosk was open when we were there and is about 6' by 4' in floor area (see open unit behind Mr. Zamrani, holding the June 30, 2008 newspaper, in Exhibit 5). The second kiosk, which appears to be similar in size, was shuttered and padlocked at the time of our visit. The metal door

to this unit is visible on the right side of Exhibit 5. Our Court Clerk, Mr. Zamrani, who had visited the premises on an earlier occasion, identified to me the wall adjoining the shuttered kiosk where he had previously seen the name plate of Igen Sea Shipping; the name plate was not to be seen on June 30, 2008. See Exhibit 6. The dilapidated area around the shuttered kiosk is shown in Exhibit 7, with the heavy metal overhead door to the kiosk visible in the background to the left. On being asked, the occupant of the first kiosk informed me that he had not seen any one visiting the second kiosk for a long time. The person who provided the information gave his name as 'Rafique' and said that he keeps account for his employer, Haji Noor Khan Transport.

10. On seeing me taking photographs, the caretaker of the building came towards us. I posed the question to him whether he had seen any one come to the kiosk of interest and open the shutter or if he knew about the entity "Igen Sea Shipping". His answer to both questions was in the negative.

11. While talking to the occupants, I learned that they are sitting tenants and have been there for 30 years or more.

12. I observed on the main entrance gate on Altaf Hussain Road, which is blocked except for a walk-through entry on foot, a board which shows: " This property is owned by "CORONET ENTERPRISES (PVT) LIMITED, Tel: 2424776". Please see Exhibit 2.

13. While browsing the websites of the Board of Investment and the Securities & Exchange Commission of Pakistan, I found that the registered office of Coronet Enterprises is situated at the same address in Cotton Exchange Building as the office of Hassan Ali Rice Export Company, the defendant in this action. (The Cotton Exchange Building is shown in Exhibit 8.) I have obtained a copy of the filed annual return for Coronet Enterprises (Pvt) Ltd, which shows that this company has its registered office at 1<sup>st</sup> Floor, Cotton Exchange Building, I.I Chundrigar Road, Karachi, and that its shareholders are members of the Hashwani family. I understand that this is the same Hashwani family that controls Hassan Ali Rice Export Company. A copy of filing with Securities and Exchange Commission of Pakistan is shown in Exhibit 9.

14. There is no other office on Ground Floor of Iftikhar Chamber except the four offices referred in paragraph 7 above and the two kiosks ( which appear in Exhibits 5,6 and 7). Based on our investigation, it appears that Iftikhar Chambers located on the corner of Hasrat Mohani Road and Altaf Hussein Road does not have any occupant by the name of Igen Sea Shipping.

### Requirement of a National Tax Number

15. I have been asked: do sole proprietorships, such as Igen Sea Shipping (allegedly), need to register as 'income tax assesseees' in Pakistan? In reply I can confirm that a sole proprietorship is required to register itself under the Income Tax Ordinance 2001.

16. The levy and collection of federal taxes in Pakistan comes under the control of an agency of the national government which was known as the Central Board of Revenue until June 30, 2007 and is now known as the Federal Board of Revenue. The assessment and collection of income and other direct taxes is conducted by the "Direct Taxes" unit of this agency. Informally, the "Direct Taxes" unit is often referred to simply as "the income tax department." In addition, a separate unit of the agency, known as the Pakistan Revenue Automation Limited ("PRAL"), is responsible for issuing National Tax Numbers and computerising the nation's entire tax data base.

17. Under Clause (ab) of section 114 of the 2001 Ordinance, *"Every person (other than a company) whose taxable income for the year exceeds the maximum amount that is not chargeable to tax under this ordinance for the year"* is required to file a tax return. For purposes of the tax laws, a sole proprietorship is regarded as a 'person', not a 'company'. The maximum amount that is not chargeable to tax has been as follows:

With effect from July 1, 2002	Rs 60,000	Approximately \$ 1,000
With effect from July 1, 2004	Rs 80,000	Approximately \$ 1,333
With effect from July 1, 2005	Rs 100,000	Approximately \$ 1,667

18. Under section 2(66) of the 2001 Ordinance, a tax payer is defined as follows:

*S 2. (66) "taxpayer" means any person who derives an amount chargeable to tax under this Ordinance, and includes —*

- (a) any representative of a person who derives an amount chargeable to tax under this Ordinance;*
- (b) any person who is required to deduct or collect tax under Part V of Chapter XI [and Chapter XII;] or*
- (c) any person required to furnish a return of income or pay tax under this Ordinance;*

19. A National Tax Number (NTN) is the numerical identity of a tax payer. Section 181 of the Income Tax Ordinance 2001 lays down the procedure for obtaining a National Tax Number Certificate. The section is as follows:

*S. 181. National Tax Number [Certificate].-*

- (1) Every taxpayer shall apply in the prescribed form and in the prescribed manner for a National Tax Number [Certificate].*
- (2) An application under sub-section (1) shall be accompanied by the prescribed fee.*
- (3) The Commissioner having jurisdiction over an applicant under subsection (1) may after examination of all relevant documents and evidence, and after satisfying himself of the genuineness of the application, may direct issuance of the National Tax Number [Certificate] for a period prescribed by Commissioner [:]*  
*[Provided that the Board may in the case of individuals allow use of National Identity Card, issued by the National Database and Registration Authority, in place of National Tax Number.]*

Accordingly, based on the above provisions of law, a proprietary business like Igen Sea Shipping is required to register and obtain an NTN. I am very well familiar with the tax laws of Pakistan and I have no doubt about this conclusion.

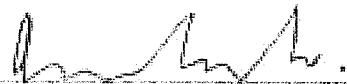
20. I am further asked: what are the consequences of doing business as a sole proprietorship in Pakistan without so registering? (i.e., is the requirement to register commonly ignored by businesses or is it enforced by the government such that one would only ignore the requirement at one's peril?) In my experience it will be difficult to operate as a shipping entity in Pakistan dealing with Government departments of customs and ports without an NTN i.e., registration with the tax department. The Income Tax department carries out periodical surveys to locate businesses which are not registered and then include these in the NTN data base. Defaulters are subjected to fines and penalties provided under the Income Tax Ordinance 2001.

21. I am further asked: can a business be properly registered as an income tax assessee without actually having a National Tax Number? A business cannot be registered as an income tax assessee ("taxpayer") without a National Tax Number (NTN). The NTN is only numerical identification of the tax payer (assessee) in the computerized environments of the tax department. Irrespective of the fact that a business does not make the prescribed application, the tax department of the national government will not register the business and other departments like customs will ask for the NTN. Thus, as a practical matter, it is not really possible to do business as a locally based shipping company in Pakistan without having an NTN.

22. I am also asked: has there been a change in the law regarding NTN? There has been no such change in the law regarding NTN at least since July 1, 2001. Section 181 of the 2001 Ordinance quoted above is clear.

23. I am asked about a newspaper article attached as evidence by HAREC and whether the possible change discussed in the article has actually been effected? In reply I can say that the report in "Business Recorder" of April 16, 2008 (Exhibit 13 in HAREC's papers for the motion) regarding the possible use of a Computerised National Identity Card (CNIC) number in place of NTN in the data base of the Federal Board of Revenue is only a plan which has not been implemented.

Pursuant to 28 U.S.C. § 1746 of the United States Code, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and has been executed on this, the 9th day of July, 2008.



ABDUL RAHMAN

# **EXHIBIT 1**

# BUSINESS RECORDER

Simultaneously published from Karachi, Lahore &amp; Islamabad

<http://www.brecorder.com>

Editor-in-chief: M.A. Zuberi

Karachi, Monday 30 June 2008, 25 Jamadi-us-Sani 1429

## re militant area in Khyber

ernment, under pressure from  
es over its peace talks with mil-  
lited the operation on Saturday  
militant threatening Peshawar  
supply convoys for Nato and  
Afghanistan.

ernment has been successful in  
n in Khyber which was carried  
guard Peshawar," interior min-  
ster Rehman Malik told a high-level  
Peshawar. He did not say when  
it would end. Prime Minister  
za Gilani separately denied the  
it was under pressure from  
a to launch the operation and  
tions with militants would con-

ur war and it is for our own sur-  
ni told reporters after a meeting  
People's Party (PPP) in Lahore.  
will be allowed to execute oth-  
; kidnap minorities, set fire to  
ools and barber shops in  
aid Gilani.



**BARA:** A tribal shows a copy of manifesto of the Mangal Bagh, the leader of an insurgent group Lashkar-e-Islam outside his demolished house here on Sunday.—AFP

He added: "We do not take any pressure  
and I have also explained my policy to US  
President (George W.) Bush that we  
believe in dialogue and want development,  
health, education and to eliminate terrorism  
> P 4 Col 3

## ECC meeting in Karachi tomorrow

## tile Ministry seeks

Ailing units  
**PHMA sets up  
special body**

RIZWAN BHATTI

## Pakistan, Iran sign four agreements

**TEHRAN:** Pakistan and Iran signed four documents of cooperation at the 17th session of their Joint Economic Commission (JEC) which concluded here on Sunday.

Federal Minister for Finance and Economic Affairs Syed Naveed Qamar led Pakistan's delegation in the meeting while Iranian side was led by Foreign Minister Manouchehr Mottaki.

The four documents included MoU of 17th session of JEC between Pakistan and Iran; MoU between Iran Chamber of Commerce, Industries and Mines and Federation of Pakistan Chambers of Commerce and Industry (FPCCI); agreement between two sides on international transport of passengers and goods; and an MoU between Pakistan Television Corporation (PTV), Pakistan Broadcasting

Corporation (PBC) and Islamic Republic of Iran Broadcasting (IRIB).

The Federal Minister for Finance while speaking on the occasion said that Pakistan-Iran Joint Economic Commission is a useful institutional framework to regulate the economic relations and identify new areas of cooperation.

Referring to changing global economic trends, the Minister highlighted that Pakistan and Iran needed to take positive steps towards greater economic integration. Both countries also need to take initiatives in order to open up their economies and explore possibilities of enhancing trade, the Minister added.

He said, "we look forward to starting the bus service between the two countries by the middle of August which will facilitate travel of Zaireen and other visitors."

The Minister highlighted the

investment friendly environment in Pakistan which had facilitated foreign direct investment of over \$4 billion in the country during 2007-08. He appreciated Iran's cooperation in the power project sectors of Pakistan.

Iranian Foreign Minister Manouchehr Mottaki in his speech commended the recent economic and industrial achievements of Pakistan and underlined that the potential of economic cooperation between the two countries was far more than the present volume of trade between them which is \$500 million annually.

He said the leadership of the two countries is determined to increase the level of bilateral trade up to US dollar one billion in the near future.

The Iranian Foreign Minister said that the two countries were cooperating on the gas pipeline project and expressed hope that

> P 4 Col 6

*Trade Unions  
Columbus  
Travel Land (Pak)*

**UMRAH** (199)

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By Furqan Abdul Kader - Junaid Abdul Kader

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International Group of Travel Agents

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Phone: UAN 111-102-785, Fax: 5684861 (GL.No.2014)

Clifton Office No.14, Prince Complex, Near Clifton Bridge,  
Main Clifton Road, Karachi. Phone: UAN 111-106-786, Fax: 5657138  
E-mail: contact@maximgroup.com.pk (GL.2007)

# **EXHIBIT 2**



THIS PROPERTY IS OWNED BY  
CORONET ENTERPRISES  
(PVT) LIMITED  
Tel: 2424776

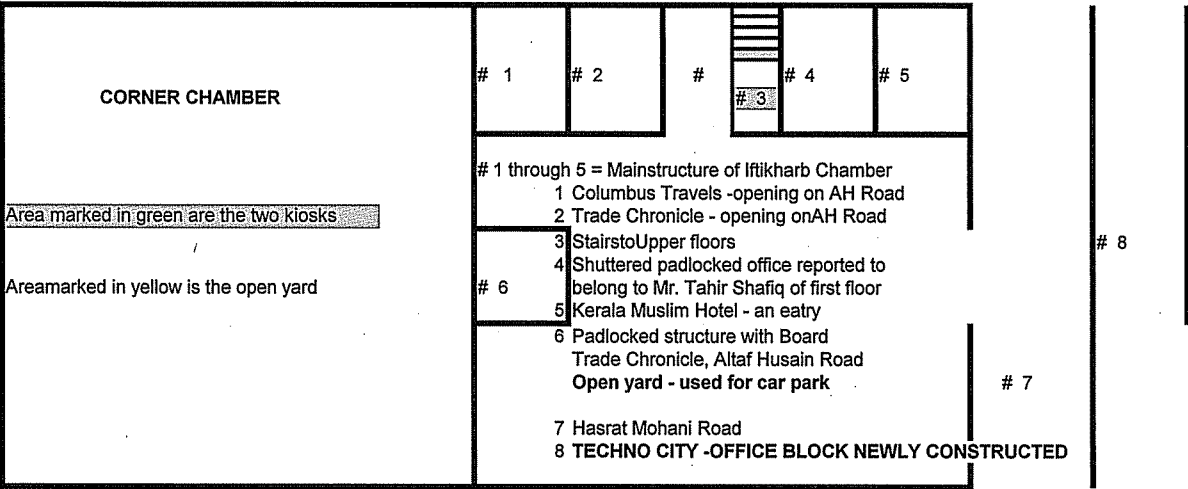
# **EXHIBIT 3**



# **EXHIBIT 4**

OfficeBlock :Uni Centre

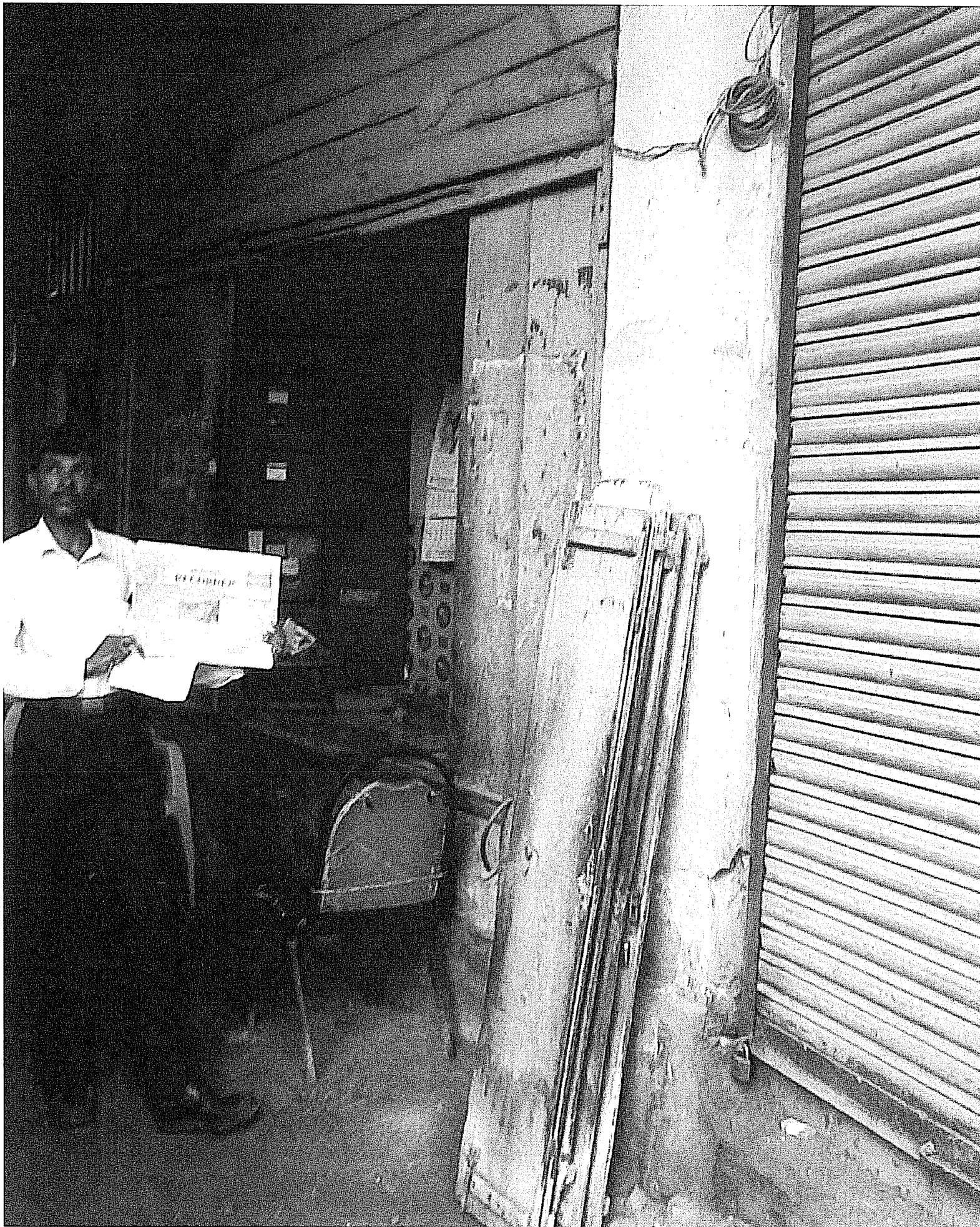
ALTAF HUSAIN ROAD ( Entry from I.I.ChundrigarRoad)  
Red triangles indicate inserted comments  
There is no office behind mainstructure of Iftikhar Chamber



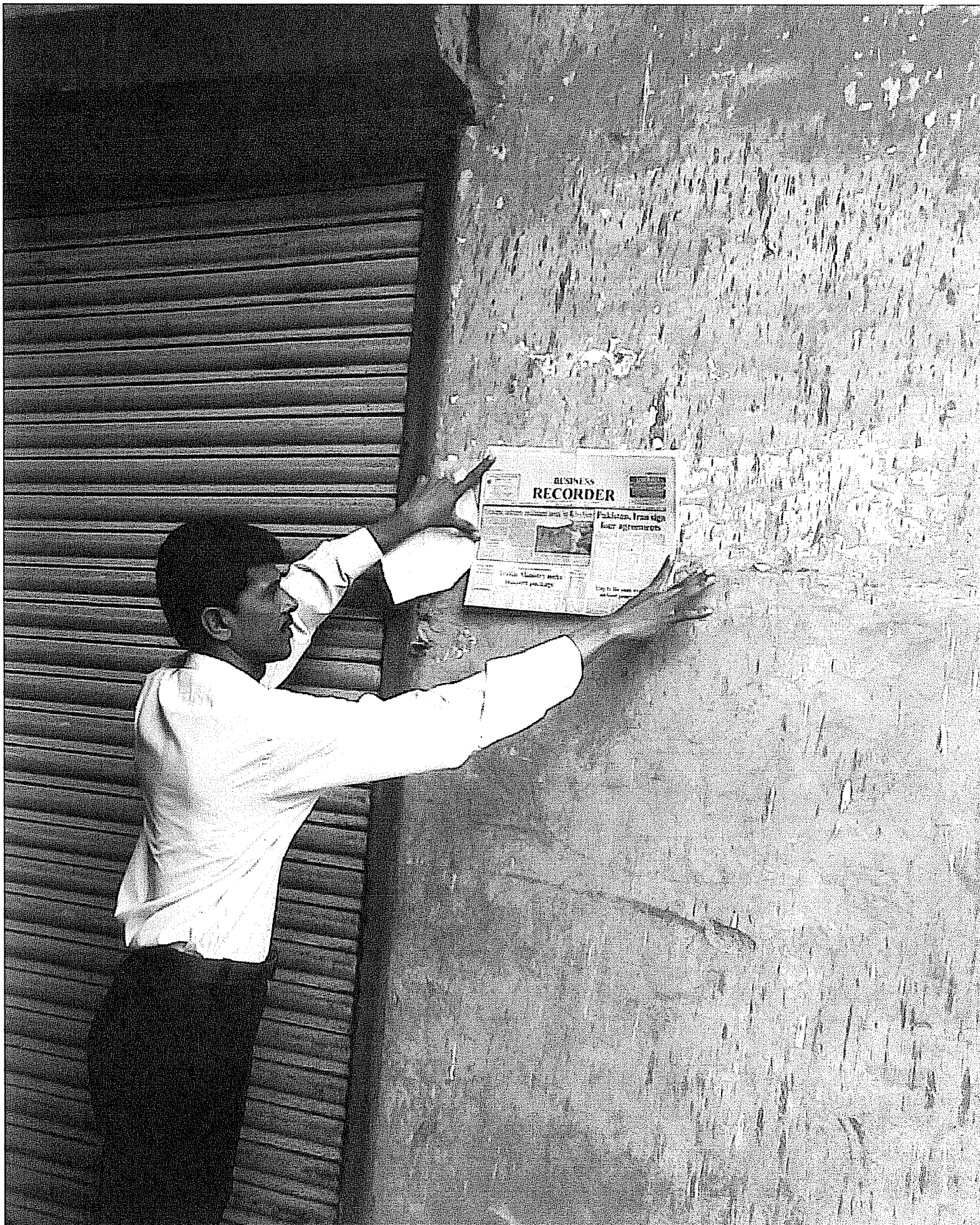
HAKIM EBRAHIMJEE BUILDING

MCB Bank Tower block

# **EXHIBIT 5**



# **EXHIBIT 6**



# **EXHIBIT 7**



# **EXHIBIT 8**

# THE COTTON EXCHANGE



# **EXHIBIT 9**

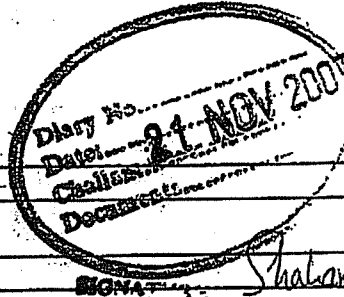
**"THIRD SCHEDULE**

(See section 156)

**FORM A- ANNUAL RETURN OF COMPANY HAVING SHARE CAPITAL**

1	Registration No.	0010953		
2	Name of the Company	CORONET ENTERPRISES (PVT) LTD		
3	Form A made upto (Day/Month/Year)	31	10	2007
4	Date of AGM (Day/Month/Year)	31	10	2007

**PART-A**

5	Registered office address:	
	1ST FLOOR COTTON EXCHANGE BUILDING, LI	
	CHUNDRIGAR ROAD KARACHI.	
6	Email Address:	
7	Office Tel. No.: 2412946-49	
8	Office Fax No.: 2416725 - 2411874	27 DEC 2007
9	Nature of Business:	Trading Company

10	Authorized Share Capital	KARACHI		
	Type of Shares	No. of Shares	Amount	Face Value
	Ordinary Shares	25,000	2,500,000	Rs. 100/= Each

11	Paid up Share Capital	KARACHI		
	Type of Shares	No. of Shares	Amount	Issue Price
	Ordinary Shares	5,650	565,000	Rs. 100/= Each

12	Amount of indebtedness as the date upto which form A is made in respect of all	
	Mortgages/Charges	
13	Particulars of the holding company	
	Name	N/A
	Registration No.	% Shares Held

14	Chief Executive		
	Name	Akbar Ali Hashwani	NIC
	Address	108, Cotton Exchange Karachi	42301-0911553-5

15	Chief Accountant		
	Name	Syed Muhammad Yousuf	NIC
	Address	108, Cotton Exchange Karachi	42000-0418914-5

16	Secretary		
	Name	Pervaiz Mushtaque	NIC
	Address	108, Cotton Exchange Karachi	42000-0491978-9

17	Legal Adviser	
	Name	K.D.Rajani Adocate
	Address	211, Progressive Plaza P.I.A.C



\*\*\*Use separate sheet, if necessary\*\*\*

21. Transfer of shares (debentures) since last Form A was made			
Name of Transferor	Name of Transferee	Number of shares transferred	Date of registration of transfer
<b>Members</b>			
NIL	NIL	NIL	NIL
<b>Debenture holders</b>			

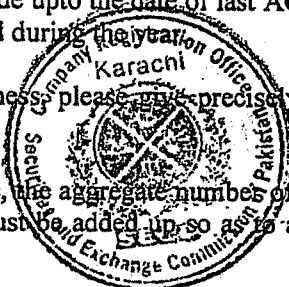
\*\*\*Use separate sheet, if necessary\*\*\*

22. I certify that this return and the accompanying statements state the facts correctly and completely as on the date upto which this Form-A is made

Date	16	Nov	2007		Signature	
	Day	Month	Year		Designation (Please tick)	Chief Executive/Secretary

**INSTRUCTIONS FOR FILLING FORM-A**

1. The Form shall be made upto the date of last AGM of the Company or the last date of the year where no AGM is held during the year.
2. Under nature of business, please state precisely the specific nature of business in which the company is engaged.
3. Under S. No.20 above, the aggregate number of shares held by each member should be stated, and the aggregates must be added up so as to agree with the number of shares stated against NO. 11.
4. When the shares are of different classes the columns should be subdivided so that the number of each class held, or transferred, is shown separately against S. Nos. 10,11,20 and 21.
5. If the space provided in the Form is insufficient, the required particulars should be listed in a separate statement attached to this return which should be similarly certified and signed.
6. The return and any statement attached hereto shall be signed by the chief executive or the secretary.
7. In case a body corporate is a member, NIC number may be omitted to be given.
8. In case of foreign nationals, indicate "passport number" in the space provided for "NIC No." Pakistani nationals will only indicate "NIC NO."
9. This form is to be filed within 30 days (45 days in case of listed company) of the date indicated in S.No.3 above.



FORM 29

## THE COMPANIES ORDINANCE, 1984

(Section 205)

## PARTICULARS OF DIRECTORS AND OFFICERS, INCLUDING THE CHIEF EXECUTIVE, MANAGING AGENT, SECRETARY, CHIEF ACCOUNTANT, AUDITORS AND LEGAL ADVISERS, OR OF ANY CHANGE THEREIN

Please complete in typescript or in bold black capitals.

1. Incorporation Number

K-178/7703

2. Name of the Company

CORONET ENTERPRISES (PVT) LTD

3. Fee Paid (Rs )

2 0 0

Name & Branch of The  
BankHBL  
CORPORATE CENTRE

4. Receipt No.

Date

(Bank challan to be attached in original)

Day Month Year

5. Particulars:

Present Name or surname in full (a)	NIC No or passport No. in case of Foreign National (b)	Father's / Husband's Name (c)	Usual residential address (d)	Designation (e)	Nationality (f)
MR.AKBER A HAHSWANI	42301-09115535		F-1 ,B.VII CLIFTON KARACHI	CHIEF EXECUTIVE	PAKISTANI
MRS. AMIN A. HAHSWANI	42301-0893785-7		21,ZAMZAMA STREET CLIFTON KARACHI	DIRECTOR	PAKISTANI
MR.SULTANA HAHSWANI	42301-3197636-2	AKBER ALI HASHWANI	F-1 ,B.VII CLIFTON KARACHI	DIRECTOR	PAKISTANI
MRS. FARIEHA A HAHSWANI	42301-0815932-4	AMIN HASHWANI	21,ZAMZAMA STREET CLIFTON KARACHI	DIRECTOR	PAKISTANI



Name of the Company  
Brief description of the document  
The date on which the document is filed or refiled

Deputy Registrar of Companies,  
Company Registration Office  
Sindh Region, Karachi

SIGNATURE  
SUBMITTED TO SEC OFFICE

30 JUN 2006

CRO KARACHI

305

Nationality of origin (if other than present nationality) (g)	Other business occupation and directorship (if any) (h)	Qualification (in case of auditors/legal advisers) (i)	Date of present appointment or change (j)	Changes stating how appointed or changed (k)	Remarks (State approval, if any, required under law) (l)
5.1 New appointment/election					
			26/06/06	RE-ELECTED IN AGM	
			26/06/06	RE-ELECTED IN AGM	
			26/06/06	RE-ELECTED IN AGM	
			26/06/06	RE-ELECTED IN AGM	

6. Name of Signatory

MR. PERVAIZ MUSHTAQ

Designation

COMPANY  
SECRETARY

7. Signatures of Chief Executive/  
Secretary

*[Signature]*  
Date

Day Month Year  
2 8 0 6 2 0 0 6

*True Copy*  
*Rahat-Wajid*  
Deputy Registrar of Companies

